



## Orlando's record job growth provides positive economic outlook

Job growth represents a record 11-year high, supporting decreasing vacancy rates

According to the most recent employment figures, the Orlando MSA added 52,200 jobs in 2015, increasing employment by 20.0 percent year-over-year and making this yearly employment gain the highest amount since 2004. Employment growth in the market equated to about 150 jobs added per day. Within the industries directly supporting office demand, the professional and business services industry represented one of the largest employment gains at 8.6 percent year-over-year, helping propel overall occupancy 170 basis points to 85.2 percent. This is driven by a recent increase in employment service firms facilitating local office expansions in technology, healthcare and legal sectors, directly impacting office demand and particularly in the CBD and Lake Mary.

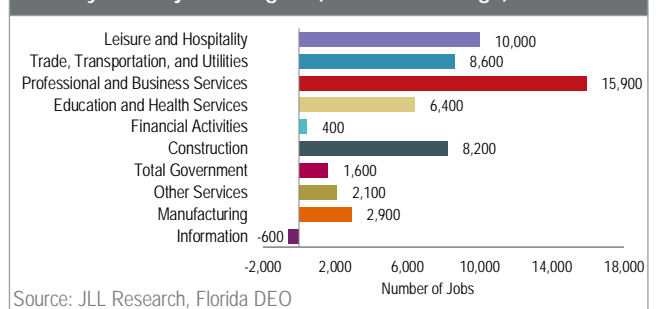
### Theme park expansions provide leasing opportunities to local submarkets

Given the record breaking number of visitors to Orlando's Tourist Corridor last year (over 62.5 million people) nearly every major theme park has announced expansion plans and hotel developments, thus increasing demand for office. Most notably, Disney's planned Star Wars attraction, when completed, will be Disney's largest "themed-land" expansion in history. With theme park expansions underway, Universal and Disney on-site office spaces are being redeveloped to make room for additional amusement-related uses, resulting in spill-over tenant demand for neighboring Southwest and Celebration submarkets. Last year, over 200,000 square feet of space renewed by tourism related tenants, and continued demand from theme park operations will continue given expansionary plans.

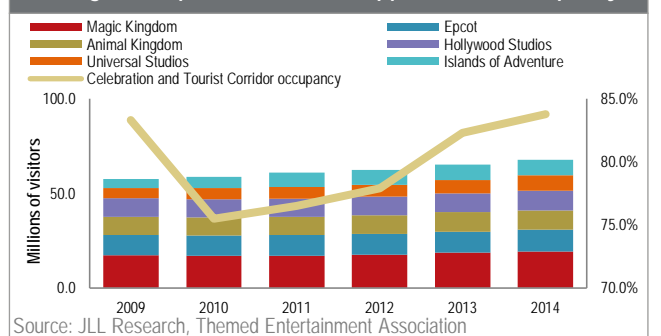
### Suburban tenant activity is outpacing CBD demand

Suburban submarket demand in both leasing and absorption are outpacing the CBD. While the volume of tenants touring suburban submarkets only increased marginally quarter-over-quarter, tenant requirements increased by 8.0 percent over the same time period to about 1.7 million square feet. This is compared to requirements in the CBD, which declined by nearly 13.7 percent to 500,000 square feet. Tenant demand shifting to suburban submarkets is evinced by absorption gains in these areas, which increased by over 100,000 square feet and represented 0.7 percent of total stock, a larger absorption figure than the CBD which only accounted for 0.5 percent of total stock. The competitive advantage of the suburban submarkets derives from the high parking ratios, as well as lower rental rates for comparative, Class A spaces.

Industry sector job loss/gain (12-month change)



Growing theme park attendance supports local occupancy

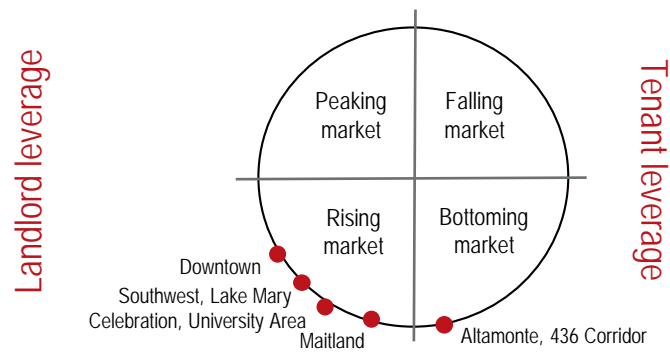


Large block tenant activity in suburban submarkets

Tenant	Location	Square feet	Deal type
Axium Healthcare Pharmacy	Lake Mary	157,000	Lease/purchase
Asurion	Southwest	72,000	New
CDM Smith	Maitland	65,000	Relocation
NBC Universal	Southwest	47,800	Relocation within

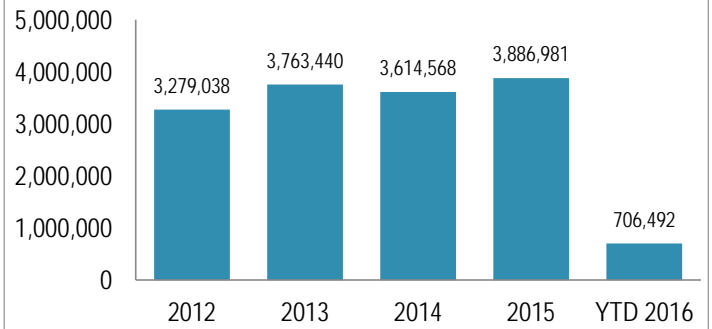
29,242,500 Total inventory (s.f.)	213,700 Q1 2016 net absorption (s.f.)	\$20.92 Direct average asking rent	271,000 Total under construction (s.f.)
14.9% Total vacancy	85.2% Occupancy percent	2.3% 12-month rent growth	39.8% Total preleased

### Current conditions – submarket



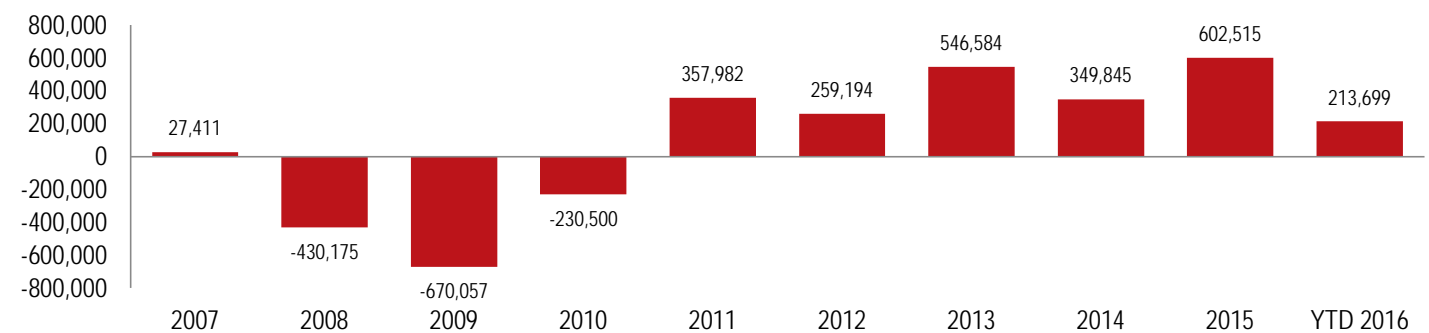
Source: JLL Research

### Historical leasing activity (s.f.)



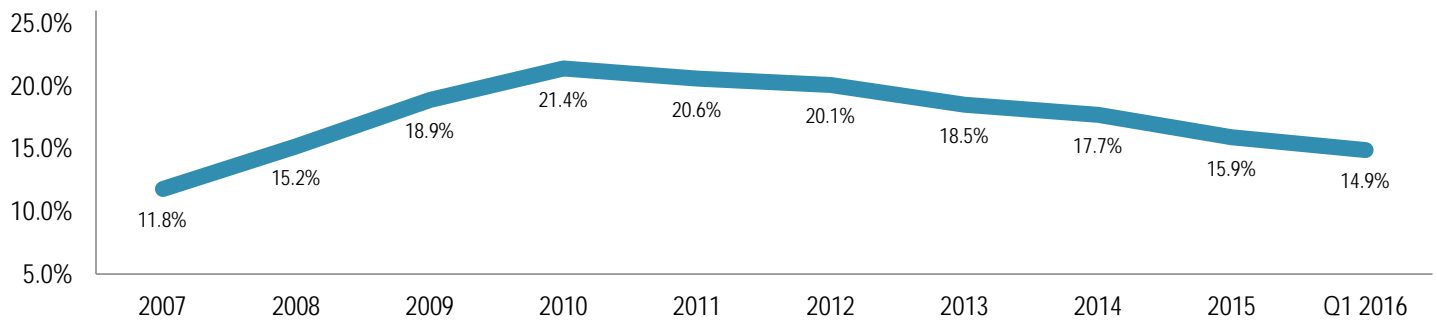
Source: JLL Research

### Total net absorption (s.f.)



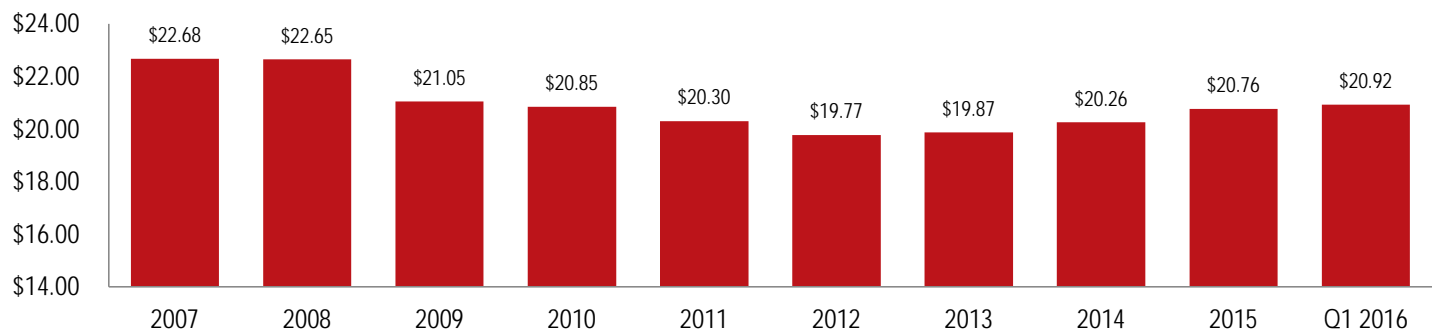
Source: JLL Research

### Total vacancy rate (%)



Source: JLL Research

### Direct average asking rent (\$ p.s.f.)



Source: JLL Research